

Referral  
7/2/19

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CITY CLERK 2015-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100-101-102-103-104-105-106-107-108-109-110-111-112-113-114-115-116-117-118-119-120-121-122-123-124-125-126-127-128-129-130-131-132-133-134-135-136-137-138-139-140-141-142-143-144-145-146-147-148-149-150-151-152-153-154-155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200-201-202-203-204-205-206-207-208-209-210-211-212-213-214-215-216-217-218-219-220-221-222-223-224-225-226-227-228-229-230-231-232-233-234-235-236-237-238-239-240-241-242-243-244-245-246-247-248-249-250-251-252-253-254-255-256-257-258-259-260-261-262-263-264-265-266-267-268-269-270-271-272-273-274-275-276-277-278-279-280-281-282-283-284-285-286-287-288-289-290-291-292-293-294-295-296-297-298-299-299-300-301-302-303-304-305-306-307-308-309-3010-3011-3012-3013-3014-3015-3016-3017-3018-3019-3020-3021-3022-3023-3024-3025-3026-3027-3028-3029-3030-3031-3032-3033-3034-3035-3036-3037-3038-3039-3040-3041-3042-3043-3044-3045-3046-3047-3048-3049-3050-3051-3052-3053-3054-3055-3056-3057-3058-3059-3060-3061-3062-3063-3064-3065-3066-3067-3068-3069-3070-3071-3072-3073-3074-3075-3076-3077-3078-3079-3080-3081-3082-3083-3084-3085-3086-3087-3088-3089-30810-30811-30812-30813-30814-30815-30816-30817-30818-30819-30820-30821-30822-30823-30824-30825-30826-30827-30828-30829-30830-30831-30832-30833-30834-30835-30836-30837-30838-30839-30840-30841-30842-30843-30844-30845-30846-30847-30848-30849-30850-30851-30852-30853-30854-30855-30856-30857-30858-30859-30860-30861-30862-30863-30864-30865-30866-30867-30868-30869-30870-30871-30872-30873-30874-30875-30876-30877-30878-30879-30880-30881-30882-30883-30884-30885-30886-30887-30888-30889-308810-308811-308812-308813-308814-308815-308816-308817-308818-308819-308820-308821-308822-308823-308824-308825-308826-308827-308828-308829-308830-308831-308832-308833-308834-308835-308836-308837-308838-308839-308840-308841-308842-308843-308844-308845-308846-308847-308848-308849-308850-308851-308852-308853-308854-308855-308856-308857-308858-308859-308860-308861-308862-308863-308864-308865-308866-308867-308868-308869-308870-308871-308872-308873-308874-308875-308876-308877-308878-308879-308880-308881-308882-308883-308884-308885-308886-308887-308888-308889-3088810-3088811-3088812-3088813-3088814-3088815-3088816-3088817-3088818-3088819-3088820-3088821-3088822-3088823-3088824-3088825-3088826-3088827-3088828-3088829-3088830-3088831-3088832-3088833-3088834-3088835-3088836-3088837-3088838-3088839-3088840-3088841-3088842-3088843-3088844-3088845-3088846-3088847-3088848-3088849-3088850-3088851-3088852-3088853-3088854-3088855-3088856-3088857-3088858-3088859-3088860-3088861-3088862-3088863-3088864-3088865-3088866-3088867-3088868-3088869-3088870-3088871-3088872-3088873-3088874-3088875-3088876-3088877-3088878-3088879-3088880-3088881-3088882-3088883-3088884-3088885-3088886-3088887-3088888-3088889-30888810-30888811-30888812-30888813-30888814-30888815-30888816-30888817-30888818-30888819-30888820-30888821-30888822-30888823-30888824-30888825-30888826-30888827-30888828-30888829-30888830-30888831-30888832-30888833-30888834-30888835-30888836-30888837-30888838-30888839-30888840-30888841-30888842-30888843-30888844-30888845-30888846-30888847-30888848-30888849-30888850-30888851-30888852-30888853-30888854-30888855-30888856-30888857-30888858-30888859-30888860-30888861-30888862-30888863-30888864-30888865-30888866-30888867-30888868-30888869-30888870-30888871-30888872-30888873-30888874-30888875-30888876-30888877-30888878-30888879-30888880-30888881-30888882-30888883-30888884-30888885-30888886-30888887-30888888-30888889-308888810-308888811-308888812-308888813-308888814-308888815-308888816-308888817-308888818-308888819-308888820-308888821-308888822-308888823-308888824-308888825-308888826-308888827-308888828-308888829-308888830-308888831-308888832-308888833-308888834-308888835-308888836-308888837-308888838-308888839-308888840-308888841-308888842-308888843-308888844-308888845-308888846-308888847-308888848-308888849-308888850-308888851-308888852-308888853-308888854-308888855-308888856-308888857-308888858-308888859-308888860-308888861-308888862-308888863-308888864-308888865-308888866-308888867-308888868-308888869-308888870-308888871-308888872-308888873-308888874-308888875-308888876-308888877-308888878-308888879-308888880-308888881-308888882-308888883-308888884-308888885-308888886-308888887-308888888-308888889-3088888810-3088888811-3088888812-3088888813-3088888814-3088888815-3088888816-3088888817-3088888818-3088888819-3088888820-3088888821-3088888822-3088888823-3088888824-3088888825-3088888826-3088888827-3088888828-3088888829-3088888830-3088888831-3088888832-3088888833-3088888834-3088888835-3088888836-30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MGM and Motor City are each paying 12.9% of adjusted gross gaming receipts to the City, while Greektown Casino is paying 11.9% of adjusted gross gaming receipts and is broken out as follows. By state law, all casinos are now paying 10.9% of adjusted gross gaming receipts to the City as wagering tax. The casinos also have an additional 1% payment because of the 2002 amended development agreement with the City. Additionally, if a casino reaches \$400 million in adjusted gross gaming receipts in a calendar year, like MGM and Motor City, then an additional 1% is paid to the City per the amended development agreement of 2002.

There is not a complete one-to-one relationship between the adjusted gross receipts and the tax revenue collection increases when comparing prior years, due to two factors. First, there is the fact that MGM and Motor City casinos began paying the City 1% less due to the permanent casinos opening on October 3 and November 29 of 2007. This reduction to the City is part of state Public Act 306 of 2004, when the legislature amended Public Act 69 of 1997, which was the original casino gaming legislation. P.A. 306 increased the wagering tax by 6% of which 2% went to the City of Detroit. P.A. 306 also allowed that when the permanent casino had been certified by the state gaming board as having operated for 30 consecutive days and once the City determined the project was complete, 5% of the 6% additional wagering tax would be eliminated, with the remaining 1% allocated to the City where the casino is being operated. Greektown continued to pay the 6% additional wagering tax – 4% to the state, 2% to the City – until its permanent status was agreed to by the Administration and approved by the State Gaming Commission, which occurred on March 9, 2010.

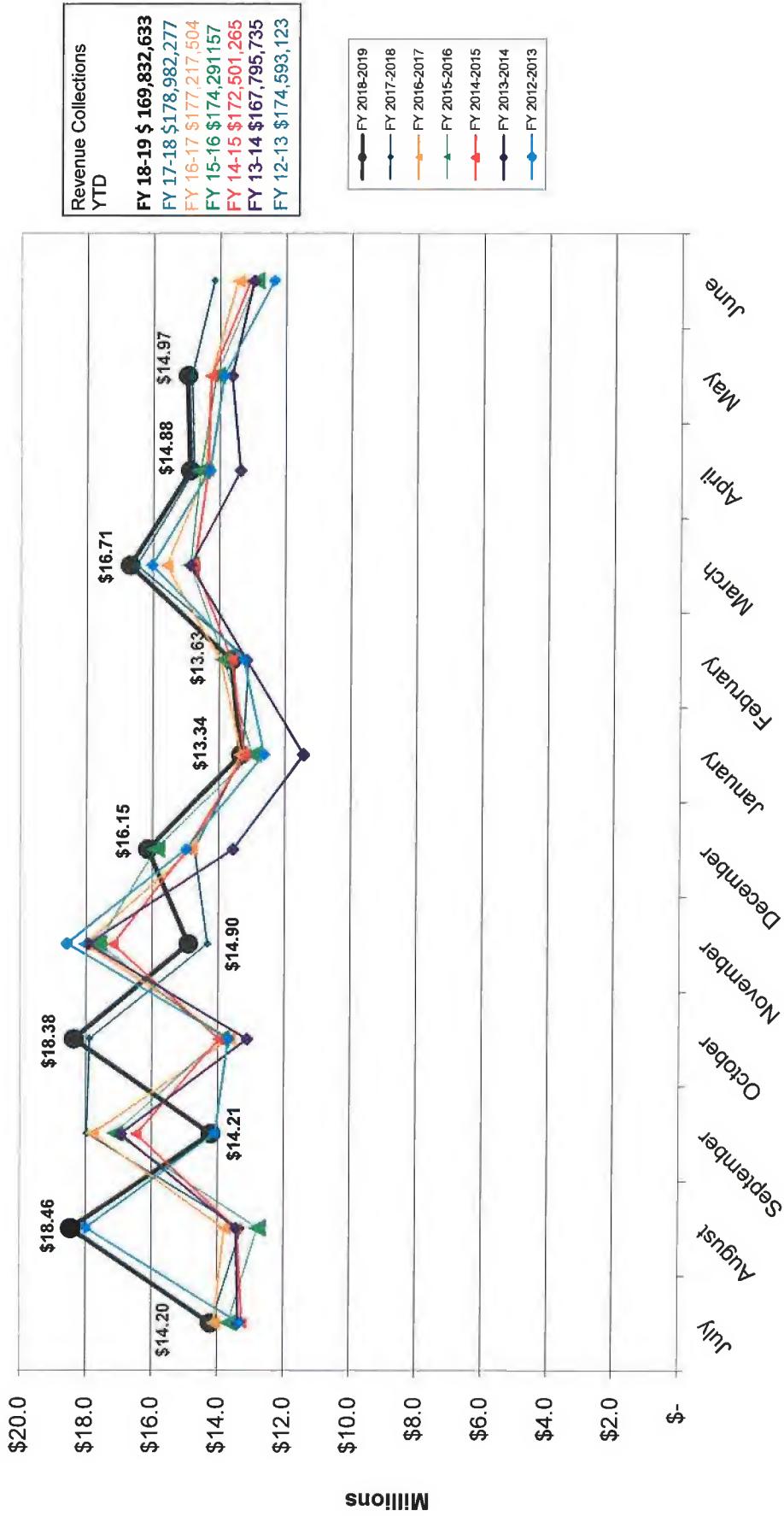
Second, the amended development agreement of August 2002 between the City and the casinos, which is separate from the state law, has all casinos, beginning in January 2006, paying an additional 1% over the state law, plus another 1% when the casino reaches \$400 million in adjusted gross gaming receipts in a calendar year. For the thirteenth year, MGM and Motor City each did exceed \$400 million in the calendar year and increased gaming tax collections by \$11.09 million between August and December. MGM reached \$400 million in August, a month earlier than prior years, and Motor City reached \$400 million in October similar to last year. MGM's additional 1% totaled \$6.19 million and Motor City's totaled \$4.89 million.

#### Attachments (5)

cc: Auditor General  
David Massaron, CFO  
John Naglick, Finance Director  
Tanya Stoudemire, Budget Director  
Renee Short, Budget Manager  
Steve Watson, Budget Manager  
James George, Agency CFO  
Stephanie Washington, Mayor's Office

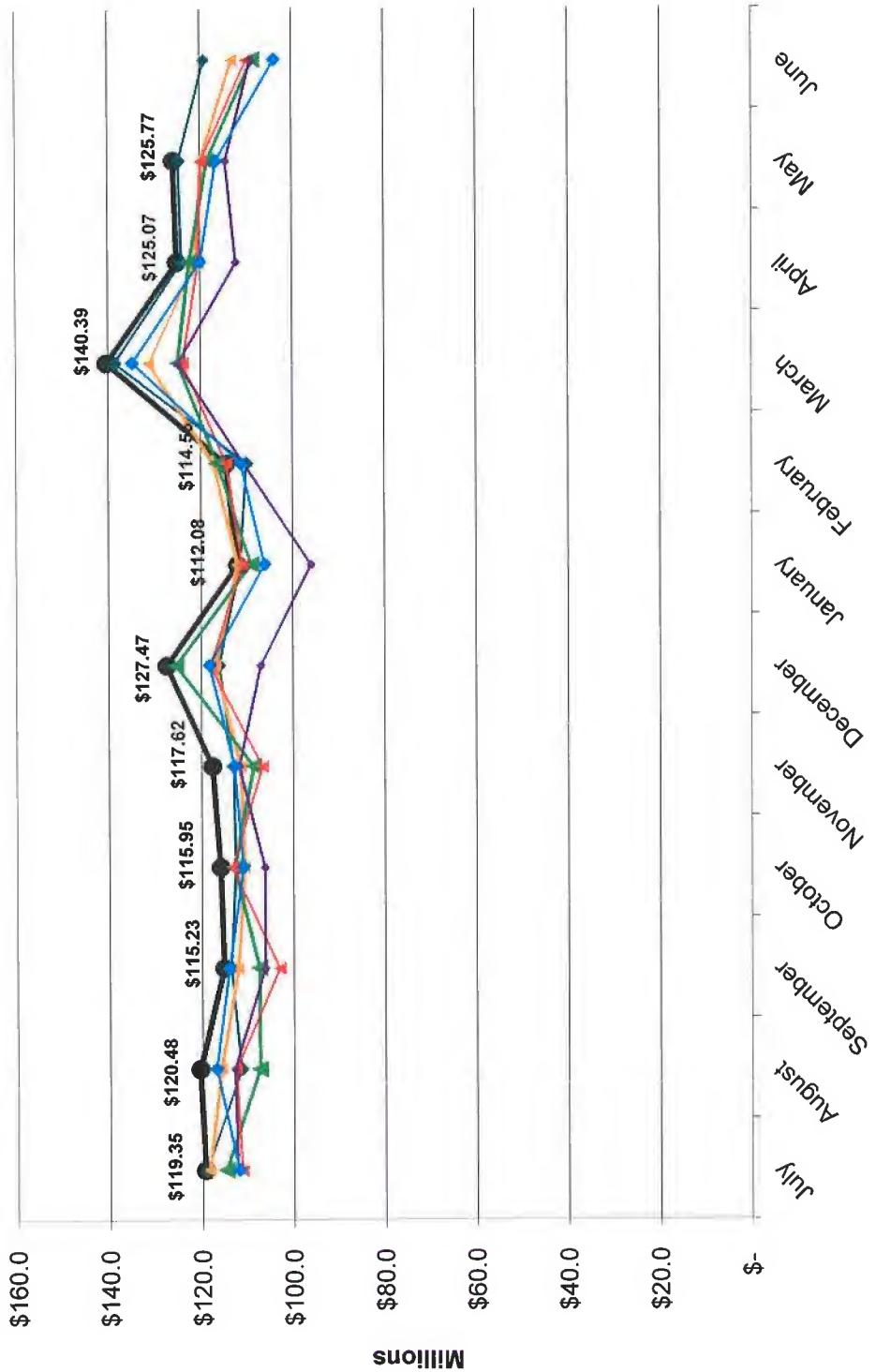
Chart 1

## Monthly Comparison Detroit Gaming Tax Collections By Fiscal Year



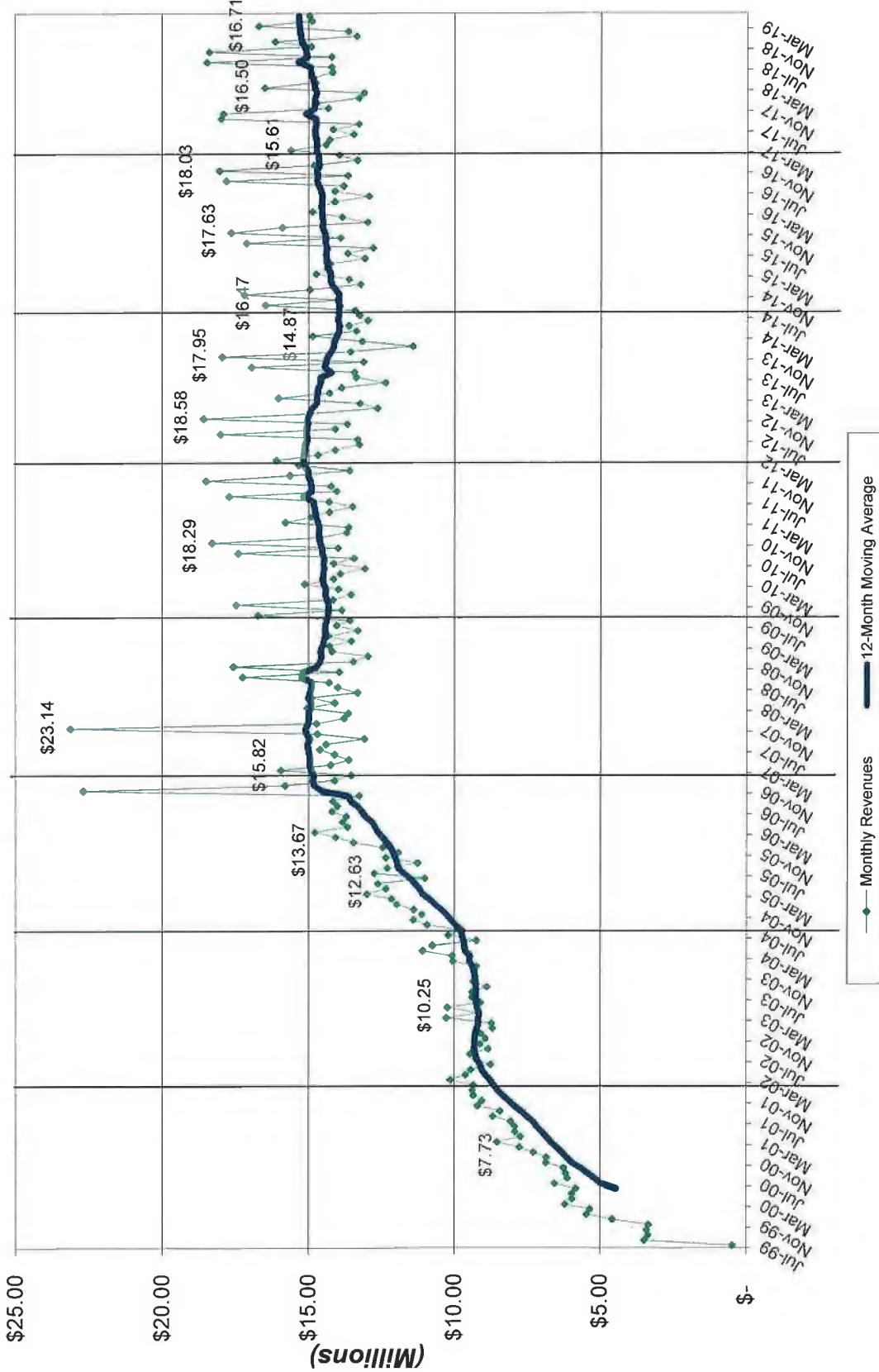
## Chart1A

### Monthly Comparison Adjusted Gross Casino Gaming Receipts By Fiscal Year



## Chart 2

### Monthly Detroit Gaming Tax Collection History



## Chart 2A

### Monthly Adjusted Gross Casino Gaming Receipt History

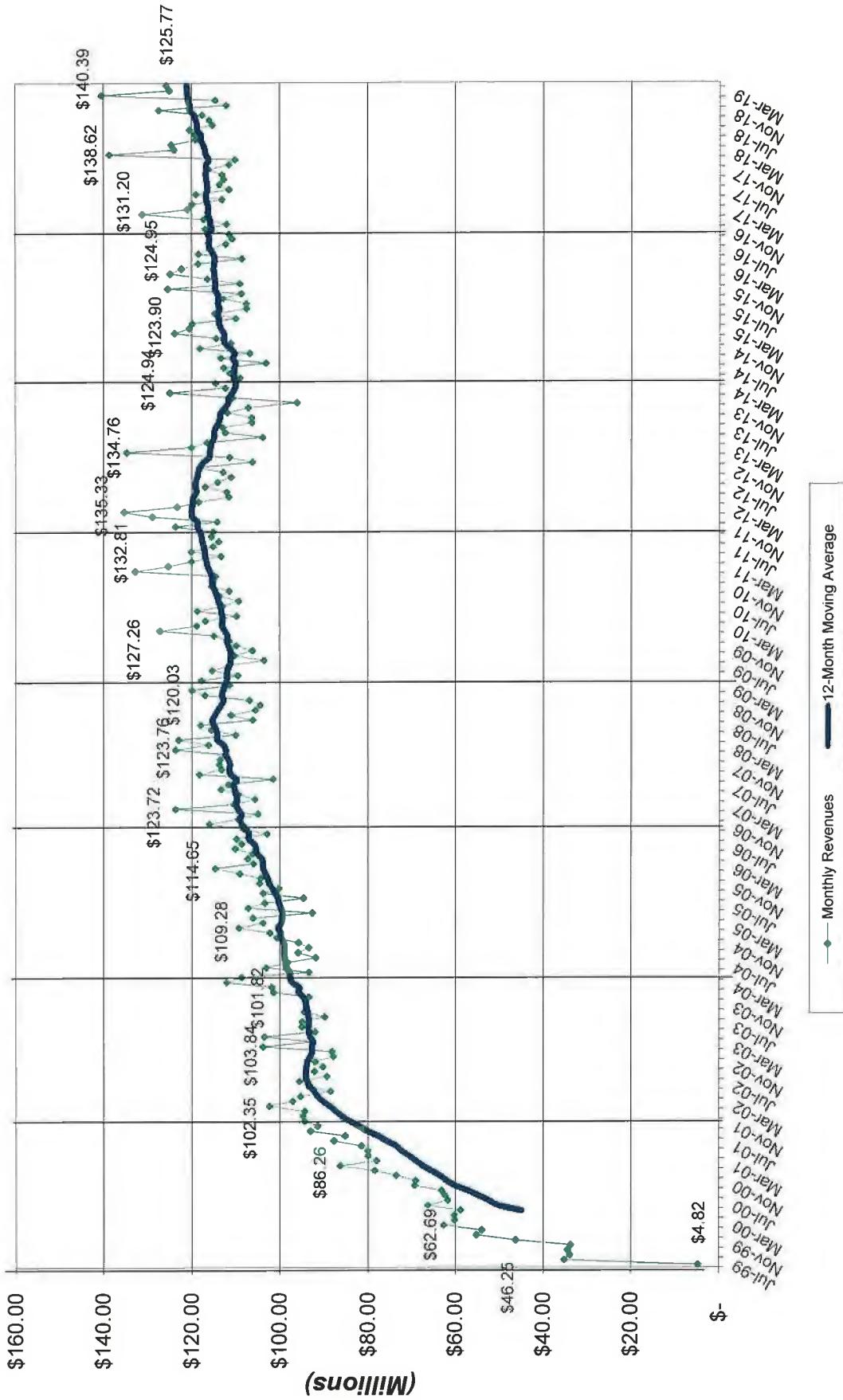


Table 1

## Wagering Tax History and Tax Projections - All Casinos

	Total Adjusted Gross Receipts FY 13-14	Chng. over prior year	Total Adjusted Gross Receipts FY 14-15	Chng. over prior year	Total Adjusted Gross Receipts FY 15-16	Chng. over prior year	Total Adjusted Gross Receipts FY 16-17	Chng. over prior year	Total Adjusted Gross Receipts FY 17-18	Chng. over prior year	Total Adjusted Gross Receipts FY 18-19	Chng. over prior year
July	\$ 112,324,111.14	0.29%	\$ 111,335,628.63	-0.88%	\$ 114,773,549.98	3.09%	\$ 118,462,544.37	3.21%	\$ 119,025,164.52	0.47%	\$ 119,352,261.03	0.27
August	\$ 112,898,452.02	-0.21%	\$ 112,662,906.77	-4.62%	\$ 107,454,382.18	-3.04%	\$ 115,902,952.67	4.28%	\$ 113,650,378.92	-1.32%	\$ 120,481,280.32	8.08
September	\$ 106,340,200.54	-6.78%	\$ 103,111,649.21	-3.04%	\$ 107,556,002.33	4.31%	\$ 112,167,563.98	-0.47%	\$ 112,667,682.55	1.74%	\$ 115,953,336.87	1.38
October	\$ 106,324,915.12	-4.17%	\$ 113,375,138.17	6.63%	\$ 112,839,250.36	-0.47%	\$ 110,737,995.50	-1.86%	\$ 112,667,682.55	1.74%	\$ 115,953,336.87	2.92
November	\$ 111,841,042.99	-4.53%	\$ 118,134,341.40	6.20%	\$ 108,679,663.84	-1.78%	\$ 111,502,032.31	-2.60%	\$ 113,084,415.06	1.42%	\$ 117,619,810.33	0.27
December	\$ 107,124,733.60	-9.40%	\$ 111,021,844.76	10.28%	\$ 125,463,371.75	6.20%	\$ 116,907,871.10	-6.82%	\$ 116,166,313.36	-0.63%	\$ 127,466,750.31	9.73
January	\$ 96,048,307.53	-9.55%	\$ 114,422,344.76	15.59%	\$ 108,016,698.11	-1.76%	\$ 112,004,791.29	2.69%	\$ 111,494,803.74	-0.48%	\$ 112,084,778.90	0.53
February	\$ 110,608,613.45	-0.62%	\$ 123,903,906.42	3.45%	\$ 116,400,992.94	-1.73%	\$ 117,241,823.84	0.72%	\$ 110,086,016.70	-6.10%	\$ 114,560,012.15	1.28
March	\$ 124,936,684.16	-7.29%	\$ 120,548,875.91	-0.83%	\$ 124,949,116.99	0.84%	\$ 131,203,575.63	5.01%	\$ 138,618,493.30	5.65%	\$ 140,386,259.94	1.28
April	\$ 112,273,443.83	-6.41%	\$ 122,356,901.35	7.37%	\$ 120,997,540.75	1.50%	\$ 124,023,991.41	-1.11%	\$ 124,023,991.41	2.50%	\$ 125,074,021.85	0.85
May	\$ 114,508,495.99	-1.73%	\$ 119,815,053.34	4.63%	\$ 118,534,756.46	-1.07%	\$ 119,945,966.90	1.19%	\$ 124,659,270.12	3.93%	\$ 125,772,533.43	0.85
June	\$ 109,007,620.90	4.96%	\$ 109,930,191.80	0.85%	\$ 108,612,340.75	-1.20%	\$ 113,073,887.16	4.11%	\$ 119,161,145.61	5.34%	\$ 133,978,879.18	-100.00
TOT RECEIPTS thru FY	\$ 1,324,236,621.27	-3.88%	\$ 1,365,041,620.23	3.08%	\$ 1,376,687,027.05	0.85%	\$ 1,400,148,545.50	1.70%	\$ 1,414,077,616.62	0.99%	\$ 1,444,095,783.79	3.11
Receipts thru Cal Yr.	\$ 1,349,503,615.26	-4.75%	\$ 1,332,782,569.59	-1.24%	\$ 1,376,408,456.95	3.27%	\$ 1,385,801,766.53	0.67%	\$ 1,400,556,681.31	1.08%	\$ 1,444,095,783.79	3.11
Wagering Tax - pre 9/2004 (State Wagering Tax - post 9/2004 (State Wagering Tax - post 1/2006 (Dev. rate 17% after calendar year 11/15) \$400 M (Dev. Agmt) subsequently after permanent opens Wagering Tax FYTD	\$ 157,584,157.93	1.00%	\$ 162,439,952.81	11.90%	\$ 163,825,756.22	0.85%	\$ 166,617,676.91	11.90%	\$ 168,274,046.38	11.90%	\$ 158,743,446.62	11.90%
Add'l 1% after casino reaches \$400M during calendar year (Dev Agmt)	\$ 10,211,576.83	-4.08%	\$ 10,061,311.75	-1.47%	\$ 10,465,401.23	4.02%	\$ 10,599,827.55	1.28%	\$ 10,708,230.46	1.02%	\$ 11,089,146.20	3.56
Total Revenue FYTD	\$ 167,795,734.76	-3.89%	\$ 172,501,264.56	2.80%	\$ 174,291,157.45	1.04%	\$ 177,217,504.46	1.68%	\$ 178,982,276.84	0.9958%	\$ 169,832,632.83	-
First 11 Month's Receipts	\$ 1,215,229,000.37	-4.60%	\$ 1,255,111,428.43	3.28%	\$ 1,268,074,686.30	1.03%	\$ 1,287,074,658.34	1.50%	\$ 1,294,951,471.01	0.61%	\$ 1,333,978,879.18	3.01
Last Month's Receipts	\$ 109,007,620.90	\$ 109,930,191.80	\$ 108,612,340.75	\$ 113,073,887.16	\$ 119,161,145.61	\$ 119,161,145.61	\$ 119,161,145.61	\$ 119,161,145.61	\$ 119,161,145.61	\$ 119,161,145.61	\$ 119,161,145.61	-
Ratio of 11 Month to 1 Month est last month's receipts est. total annual receipts	8.97%	8.76%	8.57%	8.79%	8.79%	9.20%	9.20%	9.20%	9.20%	9.20%	9.20%	8.83%
Fiscal Year's Wagering Tax (est)	Budget	\$ 170,000,000.00	\$ 168,000,000.00	\$ 169,042,005.00	\$ 175,200,000.00	\$ 2,017,504.46	\$ 177,780,000.00	\$ 1,202,276.84	\$ 1,202,276.84	\$ 1,202,276.84	\$ 1,202,276.84	\$ 1,202,276.84
Surplus/Deficit	\$ 2,204,265.24)	\$ 4,501,264.56	\$ 5,249,152.45	\$ 5,249,152.45	\$ 5,249,152.45	\$ 5,249,152.45	\$ 5,249,152.45	\$ 5,249,152.45	\$ 5,249,152.45	\$ 5,249,152.45	\$ 5,249,152.45	\$ 5,249,152.45